

Congressman Gregorio Kilili Camacho Sablan's Testimony
House Committee on Energy and Commerce
Health Subcommittee
Hearing on: "Averting a Crisis: Protecting Access to Health Care in the U.S. Territories"
March 17, 2021
1:00 P.M.

Thanks to Chairs Pallone and Eshoo and Ranking Members McMorris Rodgers and Guthrie for the opportunity to testify at today's hearing: "Averting a Crisis."

It feels like Groundhog Day.

Not two years ago, the Medicaid Director from the Marianas testified before this committee, along with her counterparts from the other insular areas, on averting the crisis they faced with the end of Obamacare Medicaid money.

This Subcommittee did avert that crisis.

Through your work, Public Law 116-94 provided Marianas Medicaid with \$60 million in fiscal years 2020 and 2021.

This funding made a huge difference—especially because the economic effects of this unexpected pandemic doubled Medicaid enrollment in the Marianas—from about 16,000 then to 32,000 today

But the money you helped provide was a temporary salve. Come October 1, funding for Medicaid in the Marianas will drop to the statutory cap, \$7.2 million—an 88 percent reduction.

Territories	2019	2020		2021		2022 ₁
		Without P.L. 116-94, FFCRA	Current law	Without P.L. 116-94, FFCRA ¹	Current law	
American Samoa	\$12.2	\$12.4	\$86.3	\$12.7	\$85.6	\$13.0
CNMI	6.7	6.9	63.1	7.1	62.3	7.2
Guam	18.0	18.4	130.9	18.8	129.7	19.2
Puerto Rico	366.7	375.1	2,716.2	383.7	2,809.1	392.5
USVI	18.3	18.8	128.7	19.2	127.9	19.6

Source: Medicaid and CHIP Payment and Access Commission February 2021 Fact Sheet¹

This is the crisis we now must avert.

My proposal, in H.R. 265, is simply to lift the statutory cap. Sixty Members have cosponsored that proposal, including several committee chairs and the two Republican members whose districts are affected.

¹ <https://www.macpac.gov/wp-content/uploads/2019/07/Medicaid-and-CHIP-in-the-Territories.pdf#page=4>

Lifting the cap may seem an invitation to spend. But, in fact, the \$60 million provided in fiscal 2020 and 2021 has proven an accurate estimate of need.

For the Marianas, CBO estimated in 2018 that permanently lifting the cap would result in a \$152 million increase in spending over 10 years. This would have a relatively small impact on federal spending considering that total federal spending for Medicaid was \$408 billion in 2019².

That relatively modest investment has already proven its worth.

Not only was the Marianas Medicaid program able to manage the sudden increase in enrollment, as people lost income during the pandemic.

But certainty of funding allowed our only hospital—which depends on Medicaid for 44 percent of revenues—to invest in capacity, saving money and increasing quality of care.

Knowing Medicaid funds would be available, the hospital established an Oncology Center. Instead of sending cancer patients “off-island”—to Guam or Hawai’i—most now get treatment in the Marianas. Look at the results:

Not only are we saving transportation and housing costs for off-island referrals. But fewer people, sick with cancer, must leave their families and face the rigors of travel.

What a virtuous circle: By investing in Medicaid, Congress has lowered costs and improved care. How much more the Marianas could do, if we had continued certainty of adequate Medicaid funding.

Let me note it is not just Medicaid patients who have benefited from this Oncology Center. Everyone in the community, even those with private insurance, are better off because of the funding Congress provided in Public Law 116-94.

But with greater funding comes greater responsibility.

And Public Law 116-94 required the Marianas and the other insular areas to move towards the same program integrity standards that your states all face.

As you will see in testimony the Marianas’ Medicaid agency submitted for today’s hearing, it is meeting the program integrity requirements attached to the funding in Public Law 116-94 to the satisfaction of the Centers for Medicare and Medicaid Services.

And this determination by CMS did not come in the last two months. It was made last year, by a Republican administration.

I want to brag on the Marianas Medicaid agency a little bit:

² <https://www.cbo.gov/system/files/2020-03/51301-2020-03-medicaid.pdf>

- They designated a Program Integrity Lead on June 26 last year, well ahead of the statutory deadline.
- They executed a Joint Operating Agreement with the CMS Unified Program Integrity Contractor.
- They engaged the Mariana's Attorney General's office as the Independent Medicaid Fraud Control Unit.
- They prepared the Implementation Advanced Planning Document, a major step toward compliance with the Medicaid Management Information System and the requirement to submit data to the Transformed Medicaid Statistical Information System—and CMS approved the plan.

Further demonstrating the Marianas's commitment to program integrity, our Legislature passed Public Law 21-35³ last year, giving our Medicaid Director the authority to transfer funding, as necessary, to ensure compliance and program integrity measures are always sufficiently funded.

It is said she now has more reprogramming authority than our Governor!

In closing, I suggest we rename today's hearing.

Instead of saying we are here to avert a crisis, why don't we acknowledge all the positive benefits that resulted from the action taken less than two years ago in Public Law 116-94:

- Improving the quality of healthcare in the Marianas for those insured by Medicaid—and for the whole community,
- Reducing costs, and
- Increasing the program integrity that is so important to us all.

Let us not say today's hearing is to avert a crisis.

Let us say we are here to lift the Medicaid cap, so we can continue the progress we have made.

Thank you.

³ https://cnmilaw.org/pdf/public_laws/21/pl21-35.pdf#page=26